

C-O-N-F-I-D-E-N-T-I-A-L

PROCUREMENT DIVISION WEEKLY REPORT FOR
PERIOD ENDING 16 MARCH 1983

1. Progress Report of Tasks Assigned by the DCI/DDCI:

No tasks assigned during this reporting period.

2. Items or Events of Major Interest that have Occurred
During the Preceding Week:

a. MERCURY PROJECT: The MERCURY prime contractor, Computer Sciences Corporation (CSC), has submitted its Change Proposal to incorporate the Rockwell subcontract to do the Message Switch portion of the Office of Communication's MERCURY project. The proposal, which includes subcontract costs, CSC management and support costs, and a six-month schedule stretchout, amounts to \$6.2 million. [REDACTED]

b. GSA Automatic Data Processing Fund Account: The CIA has requested (on at least two different occasions) that GSA make ADP funds available to react to an extremely advantageous opportunity to acquire an Amdahl Computer by converting from lease to purchase by utilizing option credits. In both of these instances, GSA has denied that Agency request citing that the ADP fund was experiencing cash flow problems. On 11 March 1983, a call was received by [REDACTED] from Mr. Paul Zacharias, GAO auditor, who is currently investigating the GSA fund account, its availability, and utilization. Mr. Zacharias indicated that from his findings to date it appears that OMB applied a degree of pressure on GSA which resulted in their decision not to provide funds to the CIA. This action cost the CIA, in one instance, approximately \$180,000 by purchasing the required Amdahl Computer on an Alternate Payment Plan; thereby, accruing interest charges on the monies outstanding and due for final payment. The investigation is apparently not yet completed. [REDACTED]

3. Significant Events Anticipated During the Coming Week:

None.

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